



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

4600
Ser N9/U15139085
11 Aug 15

From: Assistant Deputy Chief of Naval Operations,
Warfare Systems (N9B)
To: General Counsel of the Navy

Subj: NAVINSGEN COMMAND CLIMATE ISSUES

Ref: (a) General Counsel Memo of 08 Jun 15
(b) Department of Defense (DoD) Hotline Action Case Referral
#20150319-030441-CASE-01
(c) DoD Hotline Information Case Referral #20150319-030245-
CASE-02
(d) DoD Hotline Information Case Referral #20150318-030427-
CASE-02
(e) Department of the Navy Hotline Completion Report

Encl: (1) Defense Equal Opportunity Management Institute (DEOMI)
Organizational Climate Survey dated 13 January 2014
(2) DEOMI Organizational Climate Survey dated 12 April 2013
(3) DoD Hotline Action Case Referral # 20140210-022877-CASE-01
Information Memorandum to SECNAV from Acting Inspector
General, USMC

1. Purpose. To inform Department of the Navy senior leadership of significant Naval Inspector General (NAVINSGEN) command climate issues.

2. Background. I was tasked (reference a) by you while you were Performing the Duties of the Under Secretary of the Navy with respect to the NAVINSGEN, to conduct an inquiry concerning the issues contained in Department of Defense (DoD) Hotline Action Case Referral #20150319-030441-CASE-01, (reference b). You also forwarded to me two additional DoD Hotline Cases (references c and d) characterized as "informational referrals," for information and action, as appropriate.

The inquiry produced twenty issues by an anonymous complaint. Only two out of the twenty issues warranted investigation for violation of law or regulation. The two issues are discussed at length in the Department of the Navy Defense Hotline Completion Report (reference e). Although only two out of twenty issues warranted investigation for violation of law or regulation, it became

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apparent during the course of the inquiry that the NAVINSGEN has severe and longstanding command climate issues that are detrimental to the reputation of the Office of the Naval Inspector General and to the Department of the Navy and to the well-being of NAVINSGEN employees.

3. Discussion. (b) (7)(C), (b) (6), (b) (5)

Past command climate surveys (enclosures 1 and 2), a previous SECNAV directed inquiry (enclosure 3), and the "informational referral," DoD Hotline Cases identified numerous command climate issues. Many of these command climate issues were corroborated by the sworn testimony of numerous witnesses during the execution of the inquiry. Many of the witnesses stated that the command climate at NAVINSGEN was "horrible" and "very, very bad" and attribute the cause of the poor command climate to (b) (6), (b) (7)(C), (k)(2)

and to Mr. Michael Scott, the Director of the Resource Management Division (N1). In addition, several witnesses have stated that (b) (6), (b) (7)(C), (k)(2) and Mr. Scott are unusually close friends and she has essentially relinquished her authority to Mr. Scott. Although Mr. Scott is formally only the Director of N1, witnesses state that he has extensive power and influence over all of NAVINSGEN because of his close relationship with the (b) (6), (b) (7)(C), (k)(2). Together, they have created a clique with extremely loyal members and Mr. Scott is able to do anything he wants in NAVINSGEN because of his relationship to (b) (6), (b) (7)(C), (k)(2). One witness stated that Mr. Scott said in a staff meeting that "there is God and then there is me."

The following are more specific command climate issues that are highlighted by witness testimony:

- The N1 exercises unchecked authority over the entire Command due to his close relationship with (b) (6), (b) (7)(C), (k)(2).
- The N1 improperly influences the hiring process by attending interviews for anyone hired in NAVINSGEN even though he is not on the Convening Selection Panel. The N1 does not ask questions but several witnesses stated that he actively participates in the panel's deliberation after the interviews.
- (b) (7)(C), (b) (6)
- Perception that N1 secures employees' loyalty by hiring them with artificially high GS levels. All Division Directors and their Deputies are grade GS-15. Most staff members are grade GS-14.

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- (b) (7)(C), (b) (6), (k)(2) appears to meet daily with Mr. Scott, (b) (7)(C), (b) (6), (k)(2) and (b) (7)(C), (b) (6), (k)(2). These meetings are perceived to be personal in nature and not work related. Moreover it suggests favoritism towards these individuals. Additionally:

- Perceived favoritism demonstrated by special awards from the (b) (6), (b) (7)(C), (k)(2) to Mr. Scott (\$3,300) and (b) (6), (b) (7)(C), (k)(2) in addition to annual performance awards.

- (b) (7)(C), (b) (6)

- (b) (7)(C), (b) (6)

- (b) (7)(C), (b) (6)

- (b) (7)(C), (b) (6)

- (b) (7)(C), (b) (6)

- (b) (7)(C), (b) (6)

- (b) (6), (b) (7)(C)
(b) (6), (b) (7)(C), (k)(2) Michael Scott, (b) (6), (b) (7)(C), (k)(2)

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- (b) (6), (b) (7)(C)

- (b) (7)(C), (b) (6)

Most witnesses agree there are two camps within NAVINSGEN - one camp that follows the Admiral and one camp that follows the (b) (6), (b) (7)(C). This schism is driven primarily by a perceived requirement that all subordinate employees must join one of the two "camps." There is a very real fear of reprisal from (b) (7)(C), (b) (6) the Director for Resources (N1), Mr. Michael Scott, (b) (7)(C), (b) (6). One witness stated that the (b) (6), (b) (7)(C) and the N1 operate like a mafia organization. Generally, the military members follow the Admiral and the civilian members follow the Deputy IG, although there are a few exceptions to this generalization.

Witnesses have suggested that members of the clique include (b) (6), (b) (7)(C), (b) (6), (k)(2) (b) (7)(C), (b) (6)


However, many witnesses stated that these employees visit with each other most of the day and are just laughing and having personal conversations. It is beneficial to employees to always agree with (b) (7)(C), (b) (6) and Mr. Scott and to curry favor with them by complementing them and seeking their advice on trivial matters. The employees who are willing to curry favor with (b) (7)(C), (b) (6) and Mr. Scott fare well at NAVINSGEN. The employees who are not willing to behave in that manner are ostracized and eventually leave NAVINSGEN. We interviewed several employees who are seeking employment elsewhere.

Many employees cited that there was a very real fear of reprisal from participating in this inquiry and for divulging negative information about (b) (7)(C), (b) (6) or Mr. Scott. (b) (7)(C), (b) (6)

Most employees were certain that Mr. Scott would request a copy of the report and the transcripts under FOIA and would

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be able to decipher who made particular statements. (b) (7)(C), (b) (6)

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During his two interviews, Mr. Scott was mildly combative but seemed to bring that behavior under control as the interview continued. He clearly sees himself as the victim in this inquiry. Mr. Scott believes that this inquiry is in retaliation for sending a 16-page complaint, which he calls a "protected communication," against Admiral Caldwell to senior management officials at the Department of the Navy. He believes that this inquiry is a direct result of his complaint. Mr. Scott claims that he sent the complaint because days earlier he found a note under his office door that said "Die Nigger." Mr. Scott did not report the incident, discuss the incident with anyone or preserve the note. There is no evidence to corroborate this incident.

During his sworn testimony, Mr. Scott made the following startling statement about the possibility of a shooting at the NAVINSGEN office:

"the only reason that I would ever file a complaint or talk is if it gets to a point where you just can't handle it, and there was a point where if you pulled up to the parking lot and our office was roped off, and they said there was a shooting there, you could go yeah, I can believe it. We had gotten that ****."

I view this statement with extreme concern because it is an ideation of a violent event occurring at NAVINSGEN. The levels of mistrust and stress articulated during witness testimony and in the Command Climate surveys demand that this statement should not be discounted and should be taken seriously.

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Finally, many interviewees strongly stated that the only way to repair the command climate is to reassign (b) (7)(C), (b) (6) and the N1. The command climate issues transcend any single military leader's ability to rectify without the reassignment of the (b) (6), (b) (7)(C) and the N1. If only one of them can feasibly be removed, it should be (b) (7)(C), (b) (6) because Mr. Scott derives all of his power from her. That reassignment alone, however, would not rectify the problem because Mr. Scott would thwart attempts from a new (b) (7)(C), (b) (6) to delay the organization and hold employees accountable for their work. Moreover, NAVINSGEN has had two poor command climate surveys, DoD Hotline cases and a previous SECNAV directed inquiry that outlined many of the issues stated above. The employees are very concerned that this inquiry will be just another inquiry with no changes to the status quo. Most employees strongly desire a change in civilian leadership at NAVINSGEN. If no changes are made as a result of this inquiry, the credibility of the organization will further erode with the potential for a serious and violent incident to occur.

4. Recommendations. I make the following recommendations to address the severe command climate issues at NAVINSGEN:

a. (b) (7)(C), (b) (6), (b) (5), (k)(2)



(b) (5)



Subj: NAVINSGEN COMMAND CLIMATE ISSUES

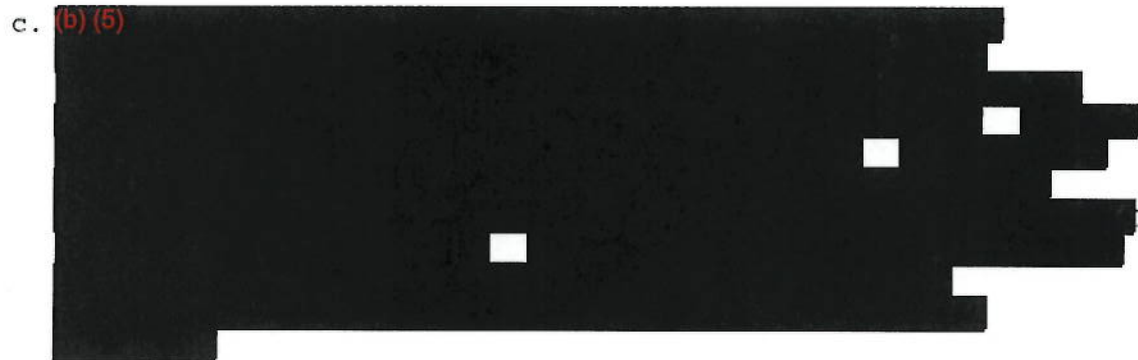
(b) (5)



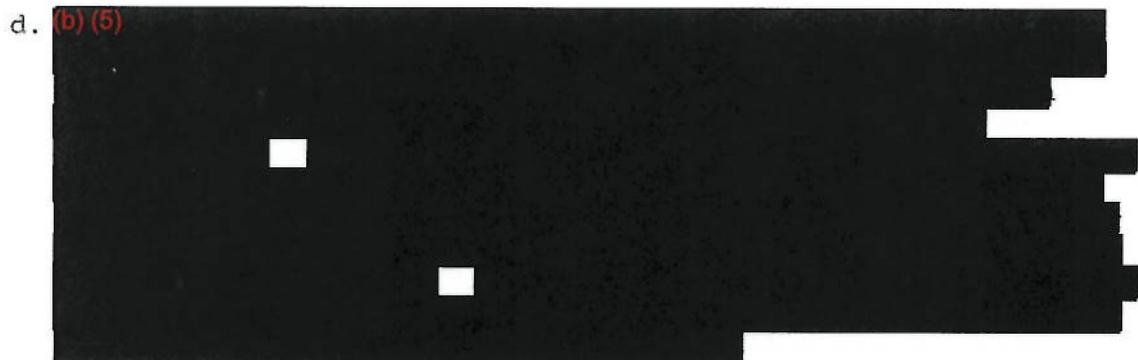
b. (b) (5)



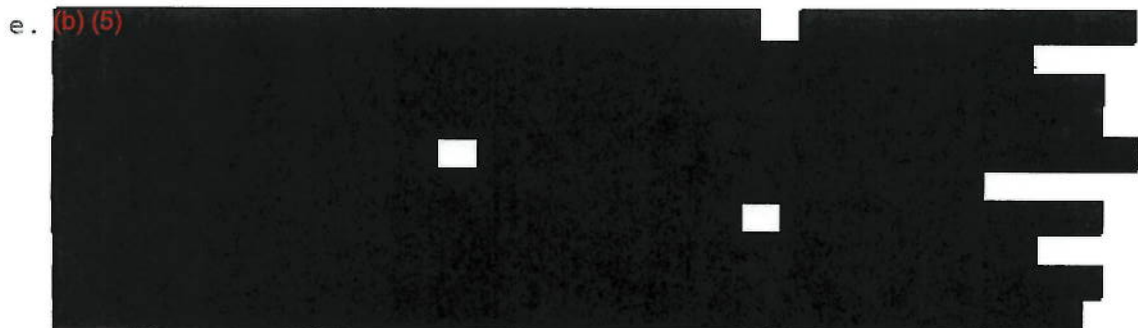
c. (b) (5)



d. (b) (5)



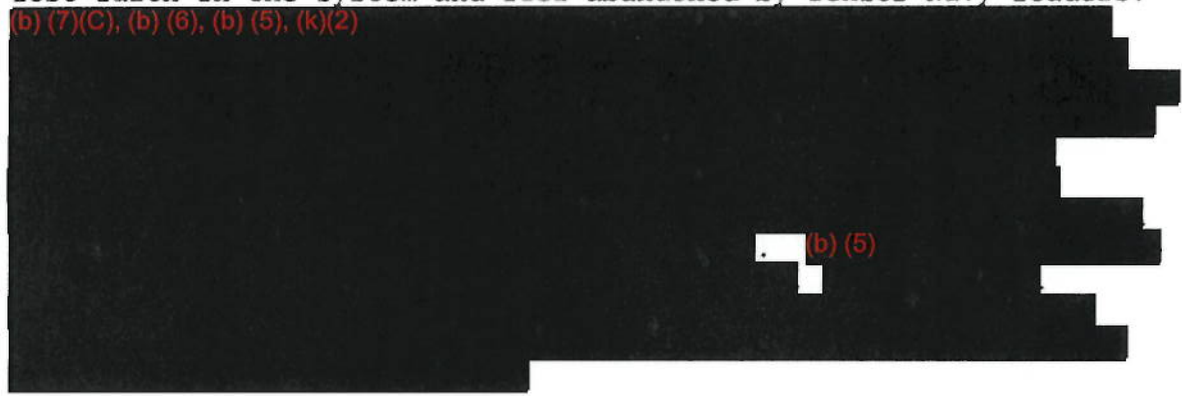
e. (b) (5)




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5. Conclusion. The Department of the Navy Senior Leaders must act on the recommendations presented in this memo. The command climate at NAVINSGEN is toxic and a number of witnesses during sworn testimony stated that there have been so many investigations and command climate surveys performed without any action taken that they have lost faith in the system and feel abandoned by senior Navy leaders.

(b) (7)(C), (b) (6), (b) (5), (k)(2)



(b) (5)



BRIAN J. PERSONS

June 1, 2015

MEMORANDUM FOR THE RECORD

Subj: Receipt of an alleged protected communication about, and disclosure to, VADM Frank Caldwell

Ref: NAVINSGEN Memorandum, 5000, N00B/001 (15 May 2015)

On 18 May 2015, Ms. Anne Brennan, Principal Deputy General Counsel, informed me that she had received from (b) (6), (b) (7)(C), (k)(2) NAVINSGEN), (b) (6), (b) (7)(C), (k)(2) allegations against then NAVINSGEN, VADM Frank Caldwell, concerning his knowledge of protected communications against him on another matter. See reference. Based on prior discussions with Ms. Brennan, (b) (6), (b) (7)(C), (k)(2), and other NAVINSGEN investigators, and without viewing these recently received materials, I asked Ms. Brennan to ascertain on behalf of the Office of the General Counsel (OGC) for the Department of the Navy (DON) whether there was a legally cognizable allegation in (b) (6), (b) (7)(C), (k)(2) referral. If so, I would be required by pertinent regulations to report the allegations to the Department of Defense Inspector General (DoD IG).

I understand that Ms. Brennan reviewed the materials from (b) (6), (b) (7)(C), (k)(2) in their entirety, consulted with subject-matter experts, and reached the legal opinion that (b) (5). See MFR by Ms. Brennan dated 31 May 2015. Accordingly, (b) (5). In reviewing her Information Memorandum, I accepted her recommendation (b) (5). See contemporaneous memoranda from me to (b) (6), (b) (7)(C), (k)(2) and, separately, from me to NAVINSGEN.

As a point of clarification, (b) (6), (b) (7)(C), (k)(2) states in paragraph 8 of reference that I directed that she refer the matter to me for action. For the sake of completeness, it is important to note that the direction which I gave at the time was intended to capture the verbal agreement of (b) (6), (b) (7)(C), (k)(2) Ms. Brennan, and myself that, given the series of disputes between (b) (6), (b) (7)(C), (k)(2) and VADM Caldwell, a possible referral of new allegations against VADM Caldwell to DoD IG would be seen as more impartial by relevant stakeholders if made by me, rather than (b) (6), (b) (7)(C), (k)(2).



PAUL L. OOSTBURG SANZ
General Counsel, DON

Performing the duties of Under
Secretary of the Navy regarding the
NAVINSGEN



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
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JUN 1 2015

MEMORANDUM FOR NAVAL INSPECTOR GENERAL

SUBJECT: Issues Raised by Receipt and Disclosure of an Alleged Protected Communication

Reference: (a) Deputy NAVAL IG memo Ser 5000 N00B/001 of 15 May 15

The Deputy Naval Inspector General, Ms. Andrea (b) (6), (b) (7)(C), (k)(2) provided me with reference (a) that referred questions concerning the propriety of actions taken by VADM James Caldwell, (b) (6), (b) (7)(C), (k)(2), (b) (6), (b) (7)(C), (k)(2), and (b) (6), (b) (7)(C), (k)(2) concerning their knowledge of an alleged protected communication. Upon receipt of reference (a), I asked Ms. Anne Brennan, Principal Deputy General Counsel, to conduct a legal sufficiency review of the document along with the additional materials which were provided by (b) (6), (b) (7)(C), (k)(2).

Ms. Brennan concluded (b) (6)

. The Office of the IG DoD concurred with Ms. Brennan's legal assessment.

(b) (6), (b) (7)(C), (k)(2)

You are hereby directed to look into (b) (6), (b) (7)(C), (k)(2) conduct and take any appropriate action. Report the final disposition of this matter to me.

Paul L. Oostburg Sanz
Performing the Duties of the
Under Secretary of the Navy
with respect to the NAVINSGEN

DEPARTMENT OF THE NAVY
OFFICE OF THE GENERAL COUNSEL
1000 NAVY PENTAGON, WASHINGTON DC 20350-1000

MEMORANDUM FROM
PRINCIPAL DEPUTY GENERAL COUNSEL OF THE NAVY

6/8/15

Brian,

Attached is the formal letter
tasking you to perform the inquiry
into the Naval IG's office. I
recommend you convene a meeting
concerning next steps with the
following individuals:

(b) (6), (b) (7)(C), (k)(2)



+

Anne Brennan (PDGC)

Please let me know if you
need anything.

V/R Anne



DEPARTMENT OF THE NAVY
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JUN 1 2015

MEMORANDUM FOR DEPUTY NAVAL INSPECTOR GENERAL

SUBJECT: Issues Raised by Receipt and Disclosure of an Alleged Protected Communication

References: (a) Deputy NAVAL IG memo Ser 5000 N00B/001 of 15 May 15

Upon receipt of reference (a), I asked Ms. Anne Brennan, Principal Deputy General Counsel, to conduct a legal sufficiency review of the document along with the accompanying materials that you provided.

Ms. Brennan concluded (b) (5)

The Office of the IG DoD concurred with Ms. Brennan's legal assessment. I consider the matter to be closed.

Paul L. Oostburg Sanz
Performing the Duties of the
Under Secretary of the Navy
with respect to the NAVINSGEN

cc:
NAVINSGEN